

Post



MSHDA 2007 QUALIFIED ALLOCATION PLAN
CSH Michigan Program Comments 8-30-07

Corporation for Supportive Housing

Our mission: 'CSH helps communities create permanent housing with services to prevent and end homelessness'

CSH Michigan appreciates the opportunity to comment on the draft QAP plan. The overall goals of serving the lowest income tenants, serving tenants for the longest period possible, assuring the housing is part of a revitalization plan and assuring adequate monitoring are in line with the values to which CSH subscribes.

The rising number of people who are homeless-{Families, veterans, children} in Michigan has reached over 80,000 persons despite our best efforts over the years. The rising unemployment rate and economic downturn has put a strain on already strained resources in Michigan. These are critical factors that must be considered in the allocation of a limited resource for our state. These factors represent a pressing need, and a timely opportunity, for the increased production of Permanent Supportive Housing utilizing the Low Income Housing Tax Credit Program.

CSH Michigan feels that the proposed changes that we discuss herein will assist in meeting the goals of the 5-Year Affordable Housing Community Action Plan, the Campaign to End Homelessness and nationally recognized best practices. Ultimately, increased housing production will benefit both people who are homeless with special needs and workers in Michigan, providing both quality housing and needed jobs. It is estimated that housing development activities produce a three to one economic benefit/return on investment.

The Corporation for Supportive Housing is specifically in favor of:

- **The 20% Holdback for Supportive Housing.** Supportive housing is a solution to homelessness and has a positive effect on residential stability among formerly homeless individuals.

Previously, only **25%** of the units awarded LIHTC via the SH Set-Aside were required to be Supportive Housing – or as few as **4%** of the total allocation of credit. Therefore, up to **75%** of the Supportive Housing set-aside credits had gone towards the production of 50% or 60% units.

- **The inclusion of 50% of the supportive housing holdback for people that are chronically homeless.**

Although chronic homelessness represents a small share of the overall homeless population, chronically homeless people utilize more than 50 percent of the services and system resources. (NAEH)

Research indicates approximately 75 to 80% of those who enter supportive housing are still there after one year. (CSH research FAQs)

(For one particular project serving people who were chronically homeless) 83% of the tenants were still housed after one year and 77% after 2 years. Similar results have been achieved around the country. (Final report of the Closer to Home Initiative, 2004)

State wide 10 Year Plans to End Homelessness that are being implemented in every county in Michigan, reveal a market for an increased number of units. Inclusion of Supportive Housing units presents a market in many geographic areas that are otherwise overbuilt with Affordable Housing units in the 50% AMI to 60% AMI range.

- **The provision for award of one project every other year for Native American population.**

"While representing less than 2% of the U.S. population, it is estimated that AI/ANs constitute 8% of Americans who are homeless." From the Surgeon General's Report, "Fact Sheet: Native American Indians" available at <http://mentalhealth.samhsa.gov/cre/fact4.asp>

- **The limit of no more than 2 proposals per round for any sponsor.**
This will benefit not-for-profit providers that do not have the organizational resources to carry multiple projects simultaneously.
- **The holdback for the cities of Detroit, Hamtramck and Highland Park.**

“Detroit is tied with Buffalo as the poorest big city in America with 28.5% or nearly a THIRD of its households living below the poverty line.” Detroit Free Press 8-29-07

“45 % of Detroit’s children live below the poverty line” –that is almost one out of every 2 children.
Skillman Foundation Philanthropy roundtable

Supportive Housing developed with LIHTC has not kept pace with the demand –

99	105 units
2000	132
2001	131
2002	85
2003	340
2004	207
2005	248
2006	173
Total	1421 units

From the State Plan for Michigan’s Campaign to End Homelessness: We believe housing should be a right, and the elimination of homelessness is an achievable goal:
no man, woman or child should be forced to sleep on the streets, in the woods or on a cot in a shelter on any night, in any town or city in Michigan.